

**Mount Vernon City Council
Finance Committee
Minutes
June 22, 2016**

Present: Councilmembers Fiedler, Hulst, Hudson, Lindquist, Molenaar, Ragan, Mayor Boudreau

Staff present: Finance Director Huschka, City Attorney Rogerson, Human Resources Director Bartlett

1. Minutes were approved.
2. Human Resources Update: Kandy presented the Committee with information regarding a request for an adjustment to the wage for the incoming Fire Chief. The City has extended a conditional job offer to Brian Bryce. The request is for a 6.2% premium to be added to this Fire Chief candidate's wage in lieu of receiving Social Security benefits. This action item will be presented to City Council during the Council meeting for consideration.
3. Transportation Benefit District (TBD) – Alicia presented background on the TBD. There is an initiative being circulated by Tim Eyman called the “bring back our \$30 car tabs”. This could impact cities that have imposed a \$20 vehicle license fee. The Committee discussed the timing of when to hold a special election regarding a sales tax ballot measure (November general election versus a February or April special election). The cost of the election if placed on the general election ballot would be less than the cost of a February or April special election. August 2, 2016 is the deadline date for submitting a resolution to the auditor's office for inclusion on the November ballot. The committee determined that the Transportation Benefit District Board would meet July 13, 2016 at 5:30 p.m. The committee indicated that they were favorable to a 0.2% sales tax to be put before the voters.
4. Financial Update:
 - Sales Tax – the January through May 2016 collections are up 9.4% over the same period in 2015 excluding the sales tax generated from the jail construction project. This is part of a consistent upward trend this year.
 - Criminal Justice Sales Tax - the January through May collections are up 5.9% over the same period in 2015.
 - Building Permits – this continues to show strong growth with the January through May 2016 collections 45% greater than the same period in 2015. The budget for 2016 is \$525,000 which averages \$43,750 per month; the actual monthly average for January through May is \$69,000.
 - Business Licenses – this revenue is showing an increase for the first time in five years. The January through May 2016 is 3.6% higher than the same period in 2015.
 - Motor Vehicle Fuel Tax – January through May 2016 is 5.9% higher over the same period in 2015.
 - Multi-modal transportation revenue – this is new revenue resulting from the 2016 legislative session. The expectation is that the City will collect \$42,600 in 2016.
 - Marijuana enforcement revenue – this also is new revenue and the City should collect \$36,300 in 2016.
 - REET – the collections for the REET taxes are above budgeted estimates, but below the January through June 2015 collections by 9%. The monthly budgeted estimate is \$29,000; the actual collections to date average \$44,512 per month.

5. Other Items

- Embedded social worker - this item will be on the agenda for Council. It contains a proposed interlocal agreement with Skagit County for partial funding of this position as well as a request for Council to authorize a new FTE for this position.
- Transportation Benefit District (TBD)– Council will be presented with a resolution to set a public hearing date for July 6 regarding the TBD and the assumption of powers.
- New Market Tax Credit (NMTC) Update – Spring 2017 would likely be the next application cycle for NMTC. There is the possibility that should the city have a shovel ready project that we would could apply for NMTC that have been awarded to another entity.
- Audit update – the auditors will be on site for at least 2 more weeks with the field work completing by or near July 8th.
- Finance projects to accomplish –
 - Update investment policy
 - RFP for banking services
 - Updating business license code.
- Lag payroll – unions & non represented employees have received an official letter from HR notifying them that the City will be going to a lag payroll system. Meetings have been set with bargaining units and a November go live date to implement the 5 day lag payroll is planned for.

Adjourned at 6:47 p.m.

Submitted by
Rebecca J. Wade